

April 11, 2013

Dear Rep Adrian Smith and Rep John Larson,

I am writing to ask that the Financial Services Tax Committee of the Ways & Means Committee for Tax Reform to repeal or revise the Foreign Account Tax Compliance Act (FATCA) that is destroying the community of Americans working overseas.

As I understand it, the intent of the act is to prevent very wealthy Americans from avoiding taxes in the United States. But do you remember when tuna fishing nets inadvertently caught and killed porpoises as well? FATCA legislation along with FBAR (Foreign Bank Account Report) is having serious negative consequences for ordinary, non-wealthy Americans who work abroad, and for the US economy as well.

- American citizens have become pariahs in the international financial community because of FATCA and are being denied financial tools essential for survival.
- Business opportunities for Americans overseas are blocked due to the 10% American ownership reporting threshold for start-ups and business ventures.
- Foreigners are backing away from investments in the US due to the increased oversight, risks and dangers of financial reporting in the United States.
- FATCA creates a new barrier to U.S. exports as companies, start ups are loath to hire Americans or deal with Americans due to increased exposure to the IRS/Treasury and reporting requirements.
- FATCA creates systemic risks for the entire international financial community.
- FATCA puts Americans working overseas at personal and financial risk due to unsecured data transfer of highly sensitive financial and personal information.

Even though I, myself, reside in the United States, I am affected by this unjust form of taxation. My American daughter and her American family are currently living overseas and thus are hurt by the problems above. Furthermore, I have been unable to open a simple bank account in her town in which to keep a small amount of funds to use while visiting them. The banks will not open accounts for Americans because IRS rules require them to break their own rules to do so.

Please repeal or revise FATCA, and please seriously consider the residence-based tax (RBT) proposal submitted by American Citizens Abroad (ACA).

(<http://americansabroad.org/files/6513/6370/3681/finalsubrbtmarch2013.pdf>) A move towards a residence-based system, such as the rest of the developed world uses, would resolve the issues of FATCA and FBAR while creating a simpler and fairer system for Americans living abroad and increasing more tax revenue than the current system, which wastes compliance resources for very little return.

Sincerely,

Linda Wightman

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